

STATINT

Allen-Scott Report

Explosive Hearings on Lobbyists For Foreign Governments Slated

By ROBERT S. ALLEN and PAUL SCOTT

The Senate Foreign Relations Committee is going to rock the new Congress with some jolting revelations of the vast powers of lobbyists from foreign governments in the U.S.

Headed by Sen. J. William Fulbright, D-Ark., the Senate investigators will highlight a number of cases where these foreign agents received fees ranging from \$20,000 to \$250,000 to influence U. S. foreign policy and obtain large sums of economic and military aid for their clients.

Some of the eye-popping details of these lobbying activities which the senators plan to air at public hearings in January and February are:

- A New York law firm received \$100,000 for arranging a special presidential economic mission to its client country. Result: The country received more than \$100 million in U. S. aid.

- A Washington lawyer represented a foreign government that received a large loan from the Development Loan Fund. The lawyer's fee, \$20,000, was paid by another U. S. agency.

- An American documentary film producer, under contract with a foreign government, prepared and distributed tv and movie films favorable to its client. When shown to the public, the films carried no mention that the foreign government had paid for them.

- An East Coast lawyer was paid \$350,000 for representing a Central American government for two years. The amount included a \$10,000 "personal gift" from the country's president for arranging a highly successful visit to the U. S. The lawyer listed his Washington "entertainment expenses" at \$22,000.

EVEN MORE startling activities of a number of the approximately 400 registered "foreign agents" are still under investigation and due to be made public during the hearings.

Known to 30 of these lobbyists, committee investigators are quietly checking their tax returns to see if their income and expense figures tally with the public reports they filed with the Justice Department as required by the Foreign Agents Registration Act.

They probers found the reports so incomplete that Fulbright is requiring all the registered lobbyists to fill out a special committee questionnaire on their activities.

The tax inspection authority was granted the committee last month by President Kennedy.



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after Fulbright wrote the White House requesting the power so that the committee could determine whether any registered foreign agents are violating federal law.

ALREADY THE committee's investigation, under way for more than a year, has stirred Attorney General Robert Kennedy to action.

He has summoned a federal grand jury to probe the registration reports of the foreign government representatives to ascertain whether they are complying with the law.

Since 1954 the Justice Department has not brought an action under the Foreign Agents Registration Act for failure to list all activities, expenses, or money received.

"This failure to prosecute does not necessarily reflect full compliance with the law by the registrants," according to a staff report prepared for the committee. "On the contrary, our study of the foreign agents' registration statements accepted by the Justice Department as complete, discloses a number of apparent omissions and/or evasions."

Aides of the Attorney General are forecasting that the grand jury will return at least one indictment before the Senate committee opens its public hearings. Six Justice Department attorneys are now working on the investigation.

AN UNANNOUNCED decision by Fulbright to include nationalities groups in his investigation has touched off the first controversy within the committee.

Sen. Frank Lausche, D-O., has demanded full information on why these anti-Communist groups, which represent peoples under Communist domination, are being summoned to appear, and whether the State Department is behind this move.

In a memorandum to committee members, Fulbright contends that "often these nationalities groups concentrate on influencing U. S. foreign policy in directions designed primarily to promote the interest of foreign organizers or supporters" and should be probed.

Other senators say that Fulbright plans to use this inquiry to launch an investigation of the Central Intelligence Agency, since many of these groups receive money from that agency.

On this possibility, Fulbright is remaining noncommittal. All he will tell other senators is that the coming hearings will be the most explosive he has conducted "since the Reconstruction Finance Corporation investigation."

The RUC probe, during the Truman administration, caused a number of government officials to resign.